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CITY OF SAN DIEGO
[LEASE REVENUE BONDS]
[OR]
CERTIFICATES OF PARTICIPATION
(SAN DIEGO CONVENTION CENTER EXPANSION) SERIES 1998A
EVIDENCING PROPORTIONATE UNDIVIDED INTERESTS OF THE OWNERS
THEREOF IN BASE RENTAL PAYMENTS TO BE MADE BY THE
CITY OF SAN DIEGO TO THE
SAN DIEGO UNIFIED PORT DISTRICT

CONTRACT OF PURCHASE

_____, 1998

San Diego Unified Port District

City of San Diego
202 C Street
San Diego, California 92101

Ladies and Gentlemen:

_____ (the “Representative”), acting on behalf of itself and the other underwriters named in Schedule I attached hereto (the Representative and such other underwriters named in Schedule I being hereinafter referred to as the “Underwriters”), offers to enter into this Contract of Purchase (the “Purchase Contract”) with the City of San Diego, a municipal corporation organized and existing under its Charter and the Constitution and laws of the State of California (the “City”), which upon acceptance will be binding upon the City and the Underwriters. This offer is made subject to the City’s acceptance on or before 11:59 p.m., California time, on the date hereof, and, if not so accepted, will be subject to withdrawal by the Underwriters upon written notice delivered to the City at any time proper to such acceptance. The Representative has been duly authorized to execute this Purchase Contract and to act hereunder by and on behalf of the Underwriter

Capitalized terms used and not defined herein shall have the same meanings as set forth in the Official Statement hereinafter defined.

1. Purchase, Sale, and Delivery of the Certificates

a. Subject to the terms and conditions and in reliance upon the representations, warranties and agreements set forth herein, the Underwriters, jointly and severally, hereby agree to purchase from

the City, and the City hereby agrees to direct the Trustee (as herein defined) to execute and deliver to the Underwriters, all (but not less than all) of the \$_____ aggregate principal amount of City of San Diego Certificates Of Participation (San Diego Convention Center Expansion) Series 1998A, evidencing proportionate undivided interests of the Owners thereof in Base Rental Payments to be made by the City to the San Diego Unified Port District (the "Certificates"). The Certificates are dated _____, 1998 and shall have the maturities and shall be payable as to interest at the rates and on the dates set forth in Exhibit A hereto. The purchase price for the Certificates shall be \$_____ (being the principal amount of the Certificates, less original issue discount of \$_____ and less an underwriters' discount of \$_____) plus accrued interest, calculated on a 360-day year basis, from _____, 1998 to the Closing Date (as hereinafter defined).

The Certificates will be executed and delivered pursuant to a Trust Agreement, dated as of January 1, 1998 (the "Trust Agreement"), by and among the City, the San Diego Unified Port District (the "District") and BNY Western Trust Company, as trustee (the "Trustee"). The District will lease the Leased Property to the City pursuant to a Convention Center Facility Lease, dated as of January 1, 1998, by and between the City and the District (the "Lease"). Pursuant to an Assignment Agreement, dated as of January 1, 1998, by and between the District and the Trustee (the "Assignment Agreement"), the District will assign to the Trustee, for the benefit of the owners of the Certificates, all of its right, title and interest in and to the Lease, including the right to receive Base Rental Payments under the Lease. The proceeds of the sale of the Certificates will be used for the purpose of enabling the City to provide funds (i) to pay certain construction costs to expand the existing Convention Center, (ii) to fund a debt service reserve fund and (iii) to pay certain costs of issuance associated with the execution and delivery of the Certificates.

b. The Underwriters agree to make a bona fide public offering of all the Certificates at not in excess of the initial public offering prices or yields set forth on the inside cover page of the Official Statement, plus interest accrued thereon, if applicable, from the date of the Certificates. The Underwriters reserve the right to make concessions to dealers and to change such initial public offering prices or yields as the Underwriters reasonably deem necessary in connection with the marketing of the Certificates. The Underwriters also reserve the right (i) to over-allot or effect transactions that stabilize or maintain the market price of the Certificates at a level above that which might otherwise prevail in the open market and (ii) to discontinue such stabilizing, if commenced, at any time.

c. The City, on behalf of itself and as agent for the District, shall deliver to the Underwriters, as promptly as practical but in no event later than the seventh business day after the City has accepted this Purchase Contract (hereinafter referred to as "the date hereof"), such number of copies of the final Official Statement, dated _____, 1998, with respect to the Certificates (the "Official Statement") as the Representative may reasonably request in order for the Underwriters to comply with rules of the Municipal Securities Rulemaking Board ("MSRB") and paragraph (b)(4) ("Paragraph (b)(4)") of 17 C.F.R. 240.15c2-12 ("Rule 15c2-12").

d. The City hereby authorizes the Underwriters to use the Official Statement and the information contained therein in connection with the offering and sale of the Certificates and ratify and confirm their authorization of the use by the Underwriters prior to the date hereof for the Preliminary Official Statement dated _____, 1998 (the "Preliminary Official Statement"), furnished to the Underwriters by the City in connection with such offering and sale.

e. The Underwriters agree that from the time the Official Statement becomes available until the earlier of (i) ninety days from the "End of the Underwriting Period", as defined in Section 2(j) herein, or (ii) the time when the Official Statement is available to any person from a nationally recognized municipal securities information repository, but in no case less than twenty-five days following the End of the Underwriting Period, each Underwriter shall send no later than the next business day following a request for a copy thereof, by first class mail or other equally prompt means, to any potential customer, as defined in Rule 15c2-12, on request, a single copy of the Official Statement. The Underwriters agree to file, not later than the business day after receipt by the Representative, a copy of the Official Statement with a nationally recognized securities depository, as contemplated by clause (ii) of Paragraph (b)(4) so as to shorten the period during which the Official Statement must be available to any potential customers. The Representative shall promptly give notice to the City as to the date which is the End of the Underwriters Period, but only if the Representative shall have notified the City on the Closing Date that the Closing Date is not the End of the Underwriters Period.

f. At 8:00 a.m., California time, on _____, 1998 or at such earlier or later time or date as shall be agreed by the City and the Representative (such time and date being herein referred to as the "Closing Date"), the City will deliver or cause to be delivered to The Depository Trust Company ("DTC") in New York, New York (or such other location as may be designated by the Representative and approved by the City) the Certificates in the form of a separate single fully registered Certificate (which may be typewritten) for each series and maturity of the Certificates (all Certificates to bear CUSIP numbers), and subject to the terms and conditions hereof, the Underwriters will accept delivery of the Certificates in definitive form, duly executed by the City and authenticated by the Trustee, and the Underwriters will accept delivery and pay the purchase price of the Certificates set forth in paragraph (a) of this Section 1 by the Federal Funds wire (such delivery and payment being herein referred to as "Closing"). Notwithstanding the foregoing, neither the failure to print CUSIP numbers on any Certificate nor any error with respect thereto shall constitute cause for a failure or refusal by the Underwriters to accept delivery of and pay for the Certificates on the Closing Date in accordance with the terms of this Purchase Contract. The Certificates shall be made available to the Underwriters in New York, New York not later than three business days before the Closing Date for purposes of inspection and packaging. Upon initial issuance, the ownership of such Certificates shall be registered in the registration books kept by the Trustee in the name of Cede & Co., as nominee for DTC.

2. Representations, Warranties, and Agreements of the City

The City represents, warrants and covenants with the Underwriters that:

- (a) the City is, and will be on the Closing Date, a municipal corporation organized and existing under a charter duly adopted pursuant to the provisions of the Constitution of the State of California, with full legal right, power, and authority to execute, deliver and perform its obligations, as the case may be, under this Purchase Contract, the Lease, the Trust Agreement and the Continuing Disclosure Agreement, dated as of _____, 1998 by and between the City and the Trustee (the "Continuing Disclosure Agreement") (collectively, the "City's Legal Documents") and to carry out and consummate all transactions contemplated by each of the City's Legal Documents and the Official Statement, and compliance with the provisions of the City's Legal Documents will not materially conflict with or constitute a breach of or default under any applicable constitutional provision, law, charter provision, administrative regulation, court order or consent decree or any applicable judgment or decree or any loan agreement, note, resolution, indenture, agreement or other instrument to which the City is a party or may be otherwise subject;
- (b) at the time of acceptance hereof by the City, and (unless an event occurs of the nature described in subparagraph (i) of this Section 2) at all times during the period from the date of this Purchase Contract to and including the date which is twenty-five (25) days following the End of the Underwriting Period for the Certificates, the statements and information contained in the Preliminary Official Statement as of its date, and the Official Statement as of its date, excluding statements and information under the captions "DESCRIPTION OF THE SERIES 1998 CERTIFICATES - Book-Entry-Only System", "THE DISTRICT", "UNDERWRITING", information regarding any insurer of the Certificates, and information as to Certificate prices on the cover of the Official Statement, are true, correct and complete in all material respects, and do not or will not contain any untrue statement of a material fact, or omit to state a material fact necessary in order to make the statements and information contained therein, in the light of the circumstances under which they were made, not misleading in any material respect;
- (c) the City has duly authorized the execution and delivery of the City's Legal Documents and when executed and delivered, the City's Legal Documents, assuming due authorization, execution and delivery by the other respective parties thereto, will constitute the legally valid and binding obligations of the City enforceable in accordance with their respective terms, except as enforcement may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws or equitable principles relating to or affecting creditors' rights generally;
- (d) except as disclosed in the Official Statement, the City is not in violation or breach of or default under any applicable law or administrative regulation of the State of California or the United States of America, or any agency or instrumentality of either of them, or any applicable judgment or decree, or any loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the City is a party or is otherwise subject, and no event has occurred and is continuing which, with the passage of time or the giving of notice or both, would constitute a violation or a breach of or a default under any such instrument as a result of which, the City's ability to perform its obligations under the City's Legal Documents would be materially and adversely affected;
- (e) at the date hereof and at the time of Closing, the City will be in compliance in all material

respects with the material covenants and agreements contained in the City's Legal Documents, and no event of default and no event has occurred and is continuing which, with the passage of time or giving of notice, or both, would constitute an event of default thereunder shall have occurred and be continuing;

(f) to the best knowledge of the City, after due investigation, other than as set forth in the Official Statement, there is no action, suit, proceeding, inquiry or investigation, at law or in equity or by or before any court, governmental agency, public board or body, pending or threatened against the City (i) wherein an unfavorable decision, ruling, or finding would adversely affect the existence of the City or the title of any official of the City to such person's office, or (ii) seeking to restrain or enjoin the issuance, sale or delivery of the Certificates, or the collection of revenues or assets of the City pledged or to be pledged to pay the obligations of the City under the Lease, or the pledge thereof, or (iii) in any way contesting or affecting the validity or enforceability of the City's Legal Documents, or (iv) contesting in any way the completeness or accuracy of the Preliminary Official Statement, or (v) contesting the power of the City or its authority with respect to the Certificates or the City's Legal Documents, or (vi) contesting the exclusion of interest evidenced by the Certificates from gross income for Federal income tax purposes; nor is there any basis for any such action, suit, proceeding, inquiry or investigation, wherein an unfavorable decision, ruling, or finding would materially adversely affect the validity of the City's Legal Documents or the authorization, execution, delivery or performance by the City of the City's Legal Documents;

(g) all approvals, consents and orders of any governmental authority or agency having jurisdiction in the matter which would constitute a condition precedent to the due performance by the City of its obligations under the City's Legal Documents have been duly obtained or made, and are, and will be at the time of Closing, in full force and effect;

(h) if between the date hereof and the date which is 25 days after the End of the Underwriting Period for the Certificates (as defined below), an event occurs, or facts or conditions become known of which the City has knowledge which in the reasonable opinion of (Counsel to the Underwriters), or the City Attorney, might or would cause the information contained in the Official Statement, as then supplemented or amended, to contain an untrue statement of a material fact or to omit to state a material fact required to be stated therein or necessary to make such information therein, in the light of the circumstances under which it was presented, not misleading in any material respect, the City will notify the Representative, and, if in the opinion of the Representative, such event requires the preparation and publication of a supplement or amendment to the Official Statement, the City will forthwith prepare and furnish to the Representative (at the expense of the City) a reasonable number of copies of an amendment of or supplement to the Official Statement (in the form and substance satisfactory to the Representative) which will amend or supplement the Official Statement so that it will not contain an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances existing at the time the Official Statement is delivered to prospective purchasers, not misleading in any material respect. If such notification shall be subsequent to the Closing, the City

shall forthwith provide to the Representative such certificates as the Representative may reasonably deem necessary to evidence the truth and accuracy of such supplement or amendment to the Official Statement. For the purposes of this subsection, between the date hereof and the date which is 25 days after the End of the Underwriting Period for the Certificates, the City will furnish such information with respect to itself as the Representative may from time to time reasonably request;

(i) if the information contained in the Official Statement is amended or supplemented pursuant to subparagraph (h) of this Section 2, at the time of such supplement or amendment thereto and (unless subsequently again supplemented or amended pursuant to such subparagraph) at all times subsequent thereto up to and including the date which is 25 days after the End of the Underwriting Period for the Certificates, the portions of the Official Statement so supplemented or amended (including any financial and statistical data contained therein), excluding statements and information under the captions "DESCRIPTION OF THE SERIES 1998 CERTIFICATES - Book-Entry Only System", "THE DISTRICT", "UNDERWRITING", information regarding any bond insurer, and information as to bond prices on the cover of the Official Statement, will not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make such information therein, in the light of the circumstances under which it was made, not misleading in any material respect;

(j) as used herein and for the purposes of the foregoing, the term "End of Underwriting Period" for the Certificates shall mean the earlier of (i) the Closing Date, unless the City shall have been notified in writing to the contrary by the Representative on or prior to the Closing Date or (ii) the date on which the End of the Underwriting Period for the Certificates has occurred under Rule 15c2-12, provided, however, that the City may treat as the End of the Underwriting Period for the Certificates the date specified as such in a notice from the Representative stating the date which is the End of the Underwriting Period;

(k) to the extent permitted by law, the City agrees to indemnify and hold harmless the Underwriters and each person, if any, who controls (within the meaning of Section 15 of the Securities Exchange Act of 1933, as amended or Section 20 of the Securities Exchange Act of 1934, as amended), the Underwriters, and the officers, directors, agents and employees of the Underwriters, against any and all losses, claims, damages, liabilities and expenses (i) arising out of any statement or information in the Preliminary Official Statement or in the Official Statement, excluding statements and information under the captions "DESCRIPTION OF THE SERIES 1998 CERTIFICATES - Book-Entry-Only System", "THE DISTRICT", "UNDERWRITING", information regarding any insurer of the Certificates, and information as to Certificate prices on the cover of the Official Statement that is untrue or incorrect in any material respect or the omission or alleged omission therefrom of any statement or information that should be stated therein or that is necessary to make the statement therein relating to the City not misleading in any material respect, and (ii) to the extent of the aggregate amount paid in settlement of any litigation commenced or threatened arising from a claim based on any such untrue statement or omission, if such settlement is effected with the consent of the City. In case any claim shall be made or action brought against

the Underwriters or any controlling person based upon the Official Statement for which indemnity may be sought against the City, as provided above, the Representative shall promptly notify the City in writing setting forth the particulars of such claim or action and the City shall assume the defense thereof, including at its option the retaining of counsel acceptable to the Representative and including the payment of all reasonable expenses. The Underwriters or any such controlling person shall have the right to retain separate counsel in any such action and to participate in the defense thereof but shall bear the fees and expenses of such counsel unless the City shall have specifically authorized the retaining of such counsel. If the parties to such suit include both the Underwriters or such controlling person or persons and the City, and the Underwriters or controlling person or persons have been advised by such counsel that one or more legal defenses may be available to it or them which may not be available to the City, the City shall not be entitled to assume the defense of the suit.

It being further understood that the Underwriters agree to indemnify and hold harmless the City against any and all losses, claims, damages, liabilities and expenses (i) arising out of (x) any statement or information provided by the Underwriters for inclusion in the Preliminary Official Statement or in the Official Statement under the caption "UNDERWRITING" and information as to Certificate prices on the inside cover page of the Official Statement, that is untrue or incorrect in any material respect or the omission or alleged omission therefrom of any statement or information that should be stated therein or that is necessary to make the statements related to such information, not misleading in any material respect or (y) the failure of an Underwriter to deliver the Official Statement as required by Rule G-32 of the Rules of the MSRB, but only if the City has satisfied its obligations to deliver the Official Statements pursuant to Section 1.c, and (ii) to the extent of the aggregate amount paid in settlement of any litigation commenced or threatened arising from a claim based on any such untrue statement or omission or failure to deliver such settlement is effected with the consent of the Underwriters. In case any claim shall be made or action brought against the City or any controlling person based upon the Official Statement for which indemnity may be sought against the Underwriters, as provided above, the City shall promptly notify the Representative in writing setting forth the particulars of such claim or action and the Underwriters shall assume the defense thereof, including at its option the retaining of counsel acceptable to the City and including the payment of all reasonable expenses. The City or any such controlling person shall have the right to retain separate counsel in any such action and to participate in the defense thereof but shall bear the fees and expenses of such counsel unless the Representative shall have specifically authorized the retaining of such counsel. If the parties to such suit include both the City or such controlling person or persons and the Underwriters, and the City or such controlling person or persons have been advised by such counsel that one or more legal defenses may be available to it or them which may not be available to the Underwriters, the Underwriters shall not be entitled to assume the defense of the suit.

(l) the City will comply with the requirements of the Tax Certificate executed by the City in connection with the delivery of the Certificates;

(m) any certificate signed by any officer of the City and delivered to the Representative or the Underwriters pursuant to the Lease, the Trust Agreement or this Purchase Contract or any document contemplated thereby shall be deemed a representation and warranty by the City to the Underwriters as to the statements made therein and that such officer shall have been duly authorized to execute the same;

(n) to the best knowledge of the City, there is no public vote or referendum pending or proposed, the results of which could materially adversely affect the transactions contemplated by the Official Statement or the City's Legal Documents or the Certificates, or the validity or enforceability of the Certificates;

(o) the financial statements of the City contained in the Official Statement fairly present the financial positions and results of operations thereof as of the dates and for the periods therein set forth, and the City has no reason to believe that such financial statements have not been prepared in accordance with generally accepted accounting principles consistently applied; and

(p) at or prior to the Closing, the City or one or more "obligated persons" within the meaning of Rule 15c2-12(f)(10) shall have duly authorized, executed and delivered the Continuing Disclosure Agreement, and the Continuing Disclosure Agreement shall comply with the provisions of Rule 15c2-12(b)(5).

3. Right to Terminate

Between the date hereof and the Closing Date, the Underwriters have the right to terminate the Underwriters' obligations under this Purchase Contract to purchase, to accept delivery of and to pay for the Certificates by notifying the City of their election to do so if, after the execution hereof and prior to the Closing:

(a) legislation (including any amendment thereto) is introduced in, pending before, favorably reported by, tentatively decided upon or passed by, either House of Congress of the United States or any Committee thereof, or announced by the Chairman of any such Committee, or recommended to the Congress of the United States for passage by the President of the United States or the United States Treasury Department, a decision by a court established under Article III of the Constitution of the United States, or the United States Tax Court shall be rendered, or a ruling, regulation or official statement by or on behalf of the Treasury Department of the United States, the Internal Revenue Service, or other governmental agency shall be made or proposed, which, if enacted, promulgated or otherwise fully implemented, would have the purpose or effect of imposing or would result in federal taxation upon revenues or other income of the general character of revenues to be derived by the City, or upon interest received on obligations of the general character of the Certificates, or which would have the effect of changing directly or indirectly the federal income tax consequences of the receipt or accrual of interest on obligations of the general character of the Certificates in the hands of the beneficial owners thereof;

- (b) any legislation, resolution, rule or regulation shall be introduced in, considered by or be enacted by any governmental body, department or political subdivision of the State of California, or a decision by any court of competent jurisdiction within the State of California shall be rendered which, in the Underwriters' reasonable opinion, does or will materially adversely affect the market price of the Certificates;
- (c) the outbreak or declaration of war or engagement in major military hostilities by the United States or any escalation of any existing conflict or hostilities in which the United States is involved or the occurrences of any other national emergency or calamity or crisis relating to the effective operation of the government of the United States or the financial community which, in the Underwriters' reasonable opinion, materially adversely affects the market price of the Certificates;
- (d) the declaration of a general banking moratorium by federal, New York or California authorities, or the general suspension of trading on any national securities exchange;
- (e) the imposition by the New York Stock Exchange or other national securities exchange, or any governmental authority, of any material restrictions not now in force with respect to the Certificates or obligations of the general character of the Certificates or securities generally, or the material increase of any such restrictions now in force, including those relating to the extension of credit by, or the charge to the net capital requirements of, the Underwriters which, in the Underwriters' reasonable opinion, materially adversely affects the market price of the Certificates;
- (f) legislation enacted (or resolution passed) by or introduced or pending legislation amended in the Congress or recommend for passage by the President of the United States, or an order, decree or injunction issued by any court of competent jurisdiction, or an order, ruling, regulation (final, temporary or proposed) or press release issued or made by or on behalf of the Securities and Exchange Commission, or any other governmental agency having jurisdiction of the subject matter, to the effect that securities of the general character of the Certificates, or the Certificates, including any or all underlying arrangements, are not exempt from registration under the Securities Act of 1933, as amended, or that the Trust Agreement is not exempt from qualification under the Trust Indenture Act of 1939, as amended, or that the execution, offering or sale of obligations of the general character of the Certificates, including any or all underlying arrangements, as contemplated hereby or by the Official Statement, otherwise is or would be in violation of the federal securities law as amended and then in effect;
- (g) action by or on behalf of the State or the California Franchise Tax Board, with the purpose or effect, directly or indirectly, of imposing California personal income taxation upon moneys that would be received by the District or Base Rental Payments that would be received by the Trustee under the Lease and the Assignment Agreement or upon such interest as would be received by the Owners; or action by or on behalf of the Treasury Department of the United States or the Internal Revenue Service or by or on behalf of the State or the California Franchise Tax Board, with the purpose or effect, directly or indirectly, of changing the federal or State income tax rates, respectively;

(h) the withdrawal or downgrading of any rating of the Certificates by a national rating agency which, in the Underwriters' reasonable opinion, materially adversely affects the market price of the Certificates; or

(i) any event occurring, or information becoming known which, in the judgment of the Representative makes untrue in any material respect any statement or information contained in the Official Statement as it relates to the City, or has the effect that the Official Statement, as to the City, contains any untrue statement of a material fact or omits to state a material fact to be stated therein or necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading in any material respect.

4. Conditions to the Obligations of the Underwriters

The Underwriters hereby enter into this Purchase Contract in reliance upon the representations and warranties of the City contained herein, and the representations and warranties to be contained in the documents and instruments to be delivered at the Closing, including those of the District contained in the Letter of Representations as described in Section 4(b) herein, and upon the performance by the City, the Trustee and the District of their respective obligations both on and as of the date hereof and as of the Closing Date. Accordingly, the Underwriters' obligations under this Purchase Contract to purchase, to accept delivery of and to pay for the Certificates shall be subject, at the option of the Underwriters to the accuracy in all material respects of the representations and warranties of the City and the District contained herein as of the date hereof and as of the Closing Date, to the accuracy in all material respects of the statements of the officers and other officials of the City, the District and the Trustee made in any certificate or document furnished pursuant to the provisions hereof, to the performance by the City, the District and the Trustee of their respective obligations to be performed hereunder and under the City's Legal Documents as herein defined at or prior to the Closing Date, and also shall be subject to the following additional conditions;

(a) The Underwriters shall receive, within seven business days after the date hereof, copies of the Official Statement (including all information permitted to have been omitted from the Preliminary Official Statement by Rule 15c2-12 and any amendments or supplements as have been approved by the Underwriters), in such reasonable quantity as the Representative shall have requested.

(b) The Underwriters' obligations under this Purchase Contract are and shall be subject to the receipt of the Letter of Representations from the District in substantially the form attached hereto as Exhibit B.

(c) At the Closing, the City's Legal Documents shall have been duly authorized, executed and delivered by the City where it is a party, all in substantially the forms heretofore submitted to the Underwriters, with only such changes as shall have been agreed to in writing by the Representative, and shall be in full force and effect; and there shall be in full force and effect such resolution or resolutions of the City Council as, in the opinion of Orrick, Herrington & Sutcliffe LLP and

Alvarado, Smith, Wolff & Sanchez (“Co-Bond Counsel”), shall be necessary or appropriate in connection with the transactions contemplated hereby;

(d) At the time of the Closing, all necessary action of the City relating to the issuance of the Certificates will have been taken and will be in full force and effect and will not have been amended, modified or supplemented;

(e) At or prior to the Closing Date, the Representative shall have received the following documents, in each case satisfactory in form and substance to the Representative;

(i) two copies of the City’s Legal Documents, each duly executed and delivered by the respective parties thereto;

(ii) the approving opinion, dated the Closing Date and addressed to the City, of Co-Bond Counsel in substantially the form attached to the Official Statement as Appendix __, and a letter of such counsel, dated the Closing Date and addressed to the Underwriters to the effect that such opinion may be relied upon by the Underwriters to the same extent as if such opinion were addressed to it;

(iii) the supplemental opinion, dated the Closing Date and addressed to the Underwriters, of Co-Bond Counsel, substantially to the effect that: (A) this Purchase Contract has been duly authorized, executed and delivered by the City, and is a valid and binding agreement of the City, enforceable in accordance with its terms, except as enforcement thereof may be limited by bankruptcy, insolvency or other laws affecting the enforcement of creditors’ rights and by the application of equitable principles if equitable remedies are sought; (B) the Certificates and the Installment Purchase Contract are not subject to the registration requirements of the Securities Act of 1933, as amended, and the Trust Agreement is exempt from qualification under the Trust Indenture Act of 1939, as amended; and (C) the Continuing Disclosure Agreement has been duly authorized, executed and delivered by the City and is a valid and binding agreement of the City enforceable in accordance with its terms, except as enforcement thereof may be limited by bankruptcy, insolvency or other laws affecting the enforcement of creditors’ rights and by the application of equitable principles if equitable remedies are sought, and satisfies the requirements of Rule 15c2-12(b)(5);

(iv) the opinion of the General Counsel to the District dated the Closing Date and addressed to the Underwriters, to the effect that: (A) the District is a district duly organized and validly existing under the special enabling laws of the State of California; (B) the resolution or resolutions by the District approving and authorizing the execution and delivery by the District of the Trust Agreement and the Assignment Agreement (the “District Resolutions”) were duly adopted at meetings of the District which were called and held pursuant to law and with all public notice required by law

and at which a quorum present and acting throughout, and are in full force and effect and have not been amended or repealed; (C) the District has full legal power and adequate authority to adopt the District Resolutions, to enter into the Trust Agreement and the Assignment Agreement (the "District Legal Documents"), to which the District is a party, and the Memorandum of Understanding dated _____, 19__, by and between the City and the District ("MOU"), and the Operating Agreement dated _____, 19__ by and between the City and the District (the "Operating Agreement"), and to own or to lease its properties and to carry on its business as now conducted and as contemplated by the District Legal Documents, the Preliminary Official Statement and the Final Official Statement; (D) to the best knowledge of such counsel after reasonable investigation, other than as set forth in the Official Statement or as the District has otherwise disclosed to you, there is no action, suit, proceedings or investigation at law or in equity before or by any court, public board or body, pending or threatened against or affecting the District, to restrain or enjoin the execution, delivery or sale of the Certificates or the collection of payment of Base Rental Payments that are the source of security for the Certificates, or the pledge thereof, or in any way contesting or affecting the validity of the Certificates or the District Legal Documents, or in any way contesting or affecting the existence of the District or the title of any official of the District to such person's office, or in any way contesting or affecting the validity or enforceability of the Certificates or the District Legal Documents, or contesting in any way the completeness or accuracy of the Preliminary Official Statement or the Official Statement, or contesting the power of the District or its District with respect to the Certificates or the District Legal Documents; (E) the execution and delivery of the District Legal Documents and the Official Statement, the adoption of the District Resolutions, and compliance by the District with the provisions of the foregoing, under the circumstances contemplated thereby, do not and will not in any material respect conflict with or constitute on the part of the District a breach or default under any agreement or other instrument to which the District is a party (and of which such counsel is aware after reasonable investigation) or by which it is bound (and of which such counsel is aware after reasonable investigation) or by any existing law, regulation, court order or consent decree to which the District is subject; (F) the Official Statement has been duly authorized, executed and delivered and the District Legal Documents to which the District is a party have been duly authorized, executed and delivered by the District and, assuming due authorization, execution and delivery by the other parties thereto, constitute legal, valid and binding agreements of the District enforceable in accordance with the respective terms, subject to laws relating to bankruptcy, insolvency or other laws affecting the enforcement of creditors' rights generally and the application of equitable principles if equitable remedies are sought; (G) no authorization, approval, consent, or other order of the State of California or any other governmental District or agency within the State of California having jurisdiction over the District is required for the valid authorization, execution,

delivery and performance by the District of the District Legal Documents or for the adoption of the District Resolutions which has not been obtained; and (H) the information contained in the Official Statement under the caption "THE DISTRICT" as of its date and as of the date hereof is accurate in all material respects and does not contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading in any material respect;

(v) the opinion, dated the Closing Date and addressed to the Underwriters, the District and the City, of Counsel to the Trustee, to the effect that: (A) the Trustee has been duly incorporated as a national banking association under the laws of the United States and is in good standing under the laws of the State of California, duly qualified to do business and to exercise trust powers therein, having full power and authority to enter into and to perform its duties as Trustee under the Trust Agreement; (B) the Trustee has duly authorized, executed and delivered the Trust Agreement and the Continuing Disclosure Agreement, and by all proper corporate action has authorized the acceptance of the trusts of the Trust Agreement and the obligations for continuing disclosure as provided in the Continuing Disclosure Agreement, respectively; (C) the Trust Agreement and the Continuing Disclosure Agreement constitute legally valid and binding agreements of the Trustee, enforceable against the Trustee in accordance with their respective terms; and (D) the Certificates have been validly authenticated and delivered to the Trustee;

(vi) the opinion of the City Attorney, dated the Closing Date and addressed to the District and the Underwriters, to the effect that: (A) the City is duly organized and existing under its charter and the laws of the State of California; (B) the resolution(s) and ordinance(s) of the City approving and authorizing the execution and delivery by the City of the City's Legal Documents (the "City Resolutions") were duly adopted at meetings of the City Council which were called and held pursuant to law and with all public notice required by law and at which a quorum was present and acting throughout, and are in full force and effect and have not been amended or repealed; (C) to the best knowledge of such counsel after reasonable investigation, there is no action, suit, proceeding or investigation at law or in equity before or by any court, public board or body, pending or threatened against or affecting the City, to restrain or enjoin the execution, delivery or sale of the Certificates or the collection or payment of revenues or assets of the City pledged or to be pledged to pay the obligations of the City under the Lease, or the pledge thereof, or in any way contesting or affecting the validity of the Certificates or the City's Legal Documents, or in any way contesting or affecting the existence of the City or the title of any official of the City to such person's office, or in any way contesting or affecting the validity or enforceability of the Certificates or the City's Legal Documents, or contesting in any way the completeness or accuracy of the Preliminary Official

Statement or the Official Statement, or contesting the power of the City or its authority with respect to the Certificates or the City's Legal Documents; (D) the execution and delivery of the City's Legal Documents, the adoption of the City Resolutions and compliance by the City with the provisions of the foregoing, under the circumstances contemplated thereby, do not and will not in any material respect conflict with or constitute on the part of the City a breach or default under any agreement or other instrument to which the City is a party (and of which such counsel is aware after reasonable investigation) or by which it is bound (and of which such counsel is aware after reasonable investigation) or any existing law, regulation, court order or consent decree to which the City is subject; (E) the City's Legal Documents and the MOU and the Operating Agreement have been duly authorized, executed and delivered by the City, and assuming due authorization, execution and delivery by the other parties thereto, constitute legal, valid and binding agreements of the City enforceable in accordance with their respective terms, subject to laws relating to bankruptcy, insolvency or other laws affecting the enforcement of creditors' rights generally and the application of equitable principles if equitable remedies are sought; (F) no authorization, approval, consent or other order of the State of California or any other governmental authority or agency with the State of California having jurisdiction over the City is required for the valid authorization, execution, delivery and performance by the City of the City's Legal Documents or for the adoption of the Resolutions which has not been obtained; and (G) the information contained in the Official Statement, excluding statements and information under the captions "DESCRIPTION OF THE SERIES 1998 CERTIFICATES - Book-Entry-Only System", "THE DISTRICT", "UNDERWRITING", information regarding any bond insurer, and information as to bond prices on the inside cover of the Official Statement as of the date hereof is accurate in all material respects and does not contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading in any material respects;

(vii) the opinion, dated the Closing Date and addressed to the Underwriters, of Orrick, Herrington & Sutcliffe LLP, as Disclosure Counsel, substantially in the form and substance presented in Exhibit C hereto;

(viii) a certificate dated the Closing Date, signed by a duly authorized official of the District, in form and substance satisfactory to the Representative, to the effect that, to the best of such official's knowledge: (A) the representations and warranties of the District contained in its Letter of Representations are true and correct in all material respects on and as of the Closing Date with the same effect as if made on the Closing Date; (B) the District has complied with all requirements of the District Legal Documents required to be complied with on and as of the Closing Date; and (C) no event materially adversely affecting the District has occurred since the date of the

Official Statement;

(ix) a certificate dated the Closing Date, signed by a duly authorized official of the City, in form and substance satisfactory to the Representative, to the effect that, to the best of such official's knowledge: (A) the representations and warranties of the City contained in the Purchase Contract are true and correct in all material respects on and as of the Closing Date with the same effect as if made on the Closing Date; (B) the City has complied with the requirements of the City's Legal Documents required to be complied with on and as of the Closing Date; and (C) no event materially adversely affecting the City has occurred since the date of the Official Statement;

(x) a certificate, dated the Closing Date, signed by a duly authorized official of the Trustee, satisfactory in form and substance to the Representative, to the effect that: (A) the Trustee is a national banking association organized and existing under and by virtue of the laws of the United States, having the full power and being qualified to enter into and perform its duties under the Trust Agreement and the Continuing Disclosure Agreement and to authenticate and deliver the Certificates to the Underwriters; (B) the Trustee is duly authorized to enter into the Trust Agreement and the Continuing Disclosure Agreement and to execute and deliver the Certificates to the Underwriters pursuant to the Trust Agreement; (C) when delivered to and paid for by the Underwriters at the Closing, the Certificates will have been duly authenticated and delivered by the Trustee; (D) the execution and delivery of the Trust Agreement and the Continuing Disclosure Agreement and compliance with the provisions on the Trustee's part contained therein will not conflict with or constitute a breach of or default under any law, administrative regulation, judgment, decree, loan agreement, indenture, note, resolution, agreement or other instrument to which the Trustee is a party or is otherwise subject (except that no representation, warranty or agreement is made with respect to any federal or state securities or blue sky laws or regulations), which conflict, breach or default would materially impair the ability of the Trustee to perform its obligations under the Trust Agreement, nor will any such execution, delivery, adoption or compliance result in the creation or imposition of any lien, charge or other security interest or encumbrance of any nature whatsoever upon any of the properties or assets held by the Trustee pursuant to the lien created by the Trust Agreement under the terms of any such law, administrative regulation, judgment, decree, loan agreement, indenture, bond, note, resolution, agreement or other instrument, except as provided by the Trust Agreement; and (E) to the best of the knowledge of the Trustee, it has not been served with any action, suit, proceeding, inquiry or investigation in law or in equity before or by any court, governmental agency, public board or body, nor is any such action or other proceeding threatened against the Trustee, affecting the existence of the Trustee, or the titles of its officers to their respective offices or seeking to prohibit, restrain, or enjoining the execution

and delivery of the Certificates or the collection of revenues to be applied to pay the principal, premium, if any, and interest with respect to the Certificates, or the pledge thereof, or in any way contesting or affecting the validity or enforceability of the Trust Agreement and the Continuing Disclosure Agreement, or contesting the powers of the Trustee or its authority to enter into, adopt or perform its obligations under any of the foregoing to which it is a party, wherein an unfavorable decision, ruling or finding would materially adversely affect the validity or enforceability of the Trust Agreement and the Continuing Disclosure Agreement or the power and authority of the Trustee to enter into and perform its duties under the Trust Agreement and the Continuing Disclosure Agreement and to authenticate and deliver the Certificates to the Underwriters;

(xi) two copies of the Official Statement, executed on behalf of the City by an authorized representative of the City;

(xii) two certified copies of the general resolution of the Trustee authorizing the execution and delivery of the Trust Agreement and the Continuing Disclosure Agreement;

(xiii) two certified copies of the District Resolutions authorizing the execution and delivery of the District Legal Documents;

(xiv) two certified copies of the City Resolutions authorizing the execution and delivery of the City Legal Documents;

(xv) evidence of ratings of ["Aaa"] and ["AAA"] by Moody's Investors Service, Inc. and Standard & Poor's Ratings Services, respectively, being in full force and effect as of the Closing Date;

(xvi) [a copy of the Insurance Policy;]

(xvii) letters addressed to the District, the City and the Underwriters, dated the Closing Date, of counsel to the Bond Insurer to the effect that (a) the Insurance Policy described in the Official Statement is a legal, valid and binding obligation of the Bond Insurer enforceable in accordance with its terms, and (b) the statement in the Official Statement under the caption "SECURITY FOR THE SERIES 1998 CERTIFICATES -- Bond Insurance" accurately reflects and fairly represents the information purported to be shown therein;

(xviii) a tax certificate of the City in form and substance acceptable to Co-Bond Counsel;

(xix) evidence that the federal tax information form 8038-G has been prepared for

filing;

(xx) a copy of the Notices of Sale required to be delivered to the California Debt and Investment Advisory Commission pursuant to Sections 8855(g) and 53583 of the California Government Code;

(xxi) a certificate, dated the Closing Date and signed by an authorized official of the City, to the effect that the financial statements of the City contained in the Official Statement fairly present the financial positions and results of operations thereof as of the dates and for the periods therein set forth, and such officer has no reason to believe that such financial statements have not been prepared in accordance with generally accepted accounting principles consistently applied;

(xxii) evidence of the existence and validity of a policy or policies of Title Insurance with respect to the Leased Property;

(xxiii) Certificates by an insurance consultant or insurance broker retained by the City and by the City's official responsible for risk management that the requisite level of "all risk" and boiler and machinery coverage insurance has been secured and maintained pursuant to the Lease and as set forth in the Preliminary Official Statement and the Final Official Statement under the captions "City Financial Information - Risk Management" and "- Insurance Coverage Respecting Lease Obligations and Long-Term Loans"; and

(xxiv) such additional legal opinions, certificates, instruments or evidences thereof and other documents as the Counsel to the Underwriters or Co-Bond Counsel may reasonably request to evidence the due authorization, execution and delivery of the Certificates and the conformity of the Certificates and the City and District Legal Documents with the terms of the Certificates and as summarized in the Official Statement.

All of the opinions, letters, certificates, instruments and other documents mentioned above or elsewhere in this Purchase Contract will be deemed to be in compliance with the provisions hereof if and only if they are in form and substance satisfactory to the Representative. The opinion of Co-Bond Counsel that is first referred to in clause (ii) of subparagraph (e) of this Section 4 shall be deemed satisfactory if it is substantially in the form of Appendix F to the Official Statement.

If the City shall be unable to satisfy the conditions to the Underwriters' obligations contained in this Purchase Contract or if the Underwriters' obligations shall be terminated for any reason permitted herein, all obligations of the Underwriters hereunder may be terminated by the Underwriters at, or at any time prior to, the Closing Date by written notice to the City and none of the Underwriters, or the City shall have any further obligations hereunder, except that the respective obligations of the parties set forth in Section 5 and the representation and warranties of the City contained in

subparagraphs (a), (f), (g), (i) and (m) of Section 2, shall continue in full force and effect, provided that such representations and warranties shall be understood to have been made as of the date of this Purchase Contract.

5. Expenses

All expenses and costs incident to the authorization, execution, delivery and sale of the Certificates to the Underwriters, including the costs of preparation and printing of the Certificates, the costs of preparation and distribution of the Preliminary Official Statement and the Official Statement, the fees of accountants, consultants and rating agencies, the initial fee of the Trustee and its counsel in connection with the execution and delivery, or to the extent proceeds of the Certificates are insufficient or unavailable therefor, any fees, costs and expenses owed by the City to the Trustee, which otherwise would have been paid from the proceeds of the Certificates, shall be paid by the City. Except as provided above, all out-of-pocket expenses of the Underwriters, including traveling and other expenses, including those associated with the California Debt and Investment Advisory Commission fee and the fees and the expenses of Underwriters' Counsel shall be paid by the Underwriters.

6. Notices

Any notice or other communication to be given to the City under this Purchase Contract may be given by delivering the same in writing at the City's address, set forth above, and any such notice or other communication to be given to the Underwriters may be delivered to the following address:

7. Parties in Interest

This Purchase Contract is made solely for the benefit of the City and the Underwriters (including the successor or assigns of the Underwriters) and no other person shall acquire or have any right hereunder or by virtue hereof. All the representations and warranties of the parties hereto contained in this Purchase Contract shall remain operative and in full force and effect, regardless of (a) any investigations made by or on behalf of the Underwriters or the City or (b) delivery of and payment for the Certificates. The agreements contained in Section 5 herein shall survive any termination of this Purchase Contract.

8. Counterparts

This Purchase Contract may be executed in any number of counterparts, each of which shall be an original, and all of which shall constitute but one and the same instrument.

9. Effectiveness

This Purchase Contract shall become effective and binding upon the respective parties hereto upon the execution of the acceptance hereof by the duly authorized officers of the City and shall be valid

and enforceable as of the time of such acceptance.

10. Choice of Law

The validity, interpretation and performance of this Purchase Contract shall be governed by the laws of the State of California.

11. Severability

In the event any provision of this Purchase Contract shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

12. Entire Agreement

This Purchase Contract, when accepted by the City in writing as heretofore specified, shall constitute the entire agreement between the City and the Underwriters.

13. Headings

The heading of the sections of this Purchase Contract are inserted for convenience only and shall be deemed to be part hereof.

By:

By:

Accepted as of _____, 1998

CITY OF SAN DIEGO

By:

City Manager

APPROVED AS TO FORM:

Casey Gwinn

City Attorney

By:

Assistant City Attorney

SCHEDULE I

EXHIBIT A

Series 1998A

Maturity ()	Principal <u>Amount</u>	Interest <u>Rate</u>	Price or <u>Yield</u>
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EXHIBIT B

LETTER OF REPRESENTATIONS OF THE SAN DIEGO UNIFIED PORT DISTRICT

[Closing Date]

Ladies and Gentlemen:

The City of San Diego (the "City") proposes to cause the execution and delivery of \$_____ aggregate principal amount of City of San Diego Certificates of Participation (San Diego Convention Center Expansion) (the "Certificates"). The Certificates will be dated _____, 1998.

The Certificates will be executed and delivered pursuant to a Trust Agreement dated as of January 1, 1998 (the "Trust Agreement") by and among the City, the San Diego Unified Port District (the "District") and BNY Western Trust Company as trustee (the "Trustee"). The City will lease the Leased Property from the District pursuant to a Convention Center Facility Lease, dated as of _____, 1998 by and between the City and the District (the "Lease"). Pursuant to an Assignment Agreement dated as of January 1, 1998 (the "Assignment Agreement") by and between the District and the Trustee, the District will assign to the Trustee, for the benefit of the owners of the Certificates, all of its right, title and interest in and to the Lease, including the right to receive Base Rental Payments under the Lease.

The execution and delivery of the Trust Agreement, the Lease, the Assignment Agreement and the Certificates have been authorized by a resolution of the City (the "City Resolution") and a resolution of the District (the "District Resolution") and the Certificates shall be as described in, and shall be secured under and pursuant to the Trust Agreement. The Certificates shall be payable and shall be subject to prepayment and purchase as provided in the Trust Agreement.

The Trust Agreement, the Lease, the Assignment Agreement, the Purchase Contract (defined below), the Continuing Disclosure Agreement (as defined in the Purchase Contract and this Letter of Representations of the District (the "District Letter of Representations") are referred to collectively herein as the "Legal Documents." Capitalized terms not otherwise defined herein shall have the meanings as defined in the Trust Agreement.

The Certificates are to be sold by the City pursuant to the Purchase Contract between the City and the Underwriters dated _____, 1998 (the "Purchase Contract").

This Letter of Representations may be executed by the parties hereto in separate counterparts, each of which when so executed and delivered shall be an original, but all such

counterparts shall together constitute one and the same instrument.

In order to facilitate your entering into the Purchase Contract and to induce you to purchase the Certificates as contemplated therein, the District hereby represents, warrants and agrees with you as follows:

Due Organization and Corporation; Legal, Valid and Binding Obligations. The District is district created by special enabling laws of the State of California and has all necessary power and authority to adopt the District Resolution and enter into and perform its duties under the Legal Documents to which the District is a party, the District Resolution has been adopted and has not been rescinded, and the Legal Documents to which the District is a party, and the MOU and the Operating Agreement, when executed and delivered by the respective parties thereto, will constitute legal, valid and binding obligations of the District in accordance with their respective terms except as enforcement against the District may be limited by bankruptcy, insolvency or other laws affecting the enforcement of creditors' rights generally and by the application of equitable principles if equitable remedies are sought.

No Conflict. The adoption of the District Resolution and the execution and delivery of the Legal Documents to which the District is a party, and the MOU and the Operating Agreement, and compliance with the provisions thereof, will not in any material respect conflict with, or constitute a breach of or default under, the District's duties under the Legal Documents to which the District is a party, the District Resolution or any law, administrative regulation, court decree, resolution, charter, by-laws or other agreement to which the District is subject or by which it or any of its property is bound.

No Consents Required. Except as may be required under blue sky or other securities laws of any state, or except with respect to any permits or approvals heretofore received which are in full force and effect or the requirement for which is otherwise disclosed in the Preliminary Official Statement and the Final Official Statement, there is no consent, approval, authorization or other order of, or filing with, or certification by, any governmental authority, board, agency or commission or other regulatory authority having jurisdiction over the District, required for the adoption of the District Resolution and the execution, delivery and sale of the Certificates or the consummation by the District of the other transactions contemplated by the Preliminary Official Statement and the Final Official Statement, the District Resolution, the Legal Documents to which the District is a party or the MOU and the Operating Agreement.

No Litigation. There is no action, suit, proceeding or investigation at law or in equity before or by any court or governmental agency or body pending or to the knowledge of the

District, threatened against the District to restrain or enjoin the delivery of the Certificates, or the assignment of the payments to be made pursuant to the Lease or in any way contesting or affecting the validity of the Legal Documents to which the District is a party, the District Resolution or the Certificates or contesting the powers of the District to enter into or perform its obligations under any of the foregoing.

Preliminary Official Statement and the Final Official Statement Correct and Complete. The information relating to the District, its functions, duties and responsibilities contained in the Preliminary Official Statement as of its date was, and in the Final Official Statement is, true and correct in all material respects and such information does not contain any untrue or misleading statement of a material fact or omit to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

Blue Sky Cooperation. The District agrees to cooperate with the Underwriters in endeavoring to qualify the Certificates for offering and sale under the securities or blue sky laws of such jurisdictions of the United States as the Underwriters may request; *provided, however*, that the District shall not be required to execute a special or general consent to service of process in any jurisdiction in which it is not now so subject or to qualify to do business in any jurisdiction where it is not now so qualified.

Due Approval of Preliminary Official Statement and the Final Official Statement Distribution. By official action of the District prior to or concurrently with the execution hereof, the District has duly approved the distribution of the Preliminary Official Statement and the distribution of the Final Official Statement, has duly adopted the District Resolution and has duly authorized and approved the execution and delivery of, and the performance by the District of the obligations on its part contained in the Legal Documents to which the District is a party and the consummation by it of all other transactions contemplated by the Preliminary Official Statement and the Final Official Statement, the District Resolution and the Legal Documents to which the District is a party.

No Breach or Default. The District is not in breach of or in default under any applicable law or administrative regulation of the State of California or the United States or any applicable judgment or decree or any loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the District is a party or is otherwise subject which breach or default would have a material and adverse impact on the District's ability to perform its obligations under the Legal Documents to which the District is a party, or the MOU or the Operating Agreement, and no event has occurred and is continuing which, with the passage of time or the giving of notice, or both, would constitute a default or an event of default under any such instrument.

Agreement to Notify Underwriters Regarding Final Official Statement. The District will advise the Underwriters promptly of any proposal to amend or supplement the Final Official Statement and will not effect any such amendment or supplement without the consent of the Underwriters. The District will advise the Underwriters promptly of the institution of any proceedings known to it seeking to prohibit or otherwise affect the use of the Preliminary Official Statement and the Final Official Statement in connection with the offering, sale or distribution of the Certificates.

Agreement to Amend Final Official Statement. If at any time from the date hereof to and including ten (10) days after the date of the Closing described below when, in the opinion of the Underwriters, an amendment or supplement to the Final Official Statement should be delivered in connection with the offer or sale of the Certificates, any event occurs, of which the District has knowledge, as a result of which the Final Official Statement as then amended or supplemented would include an untrue statement of a material fact, or omit to state any material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading, the District will cooperate with the Underwriters in the preparation of an amendment or supplement to the Final Official Statement; provided that all expenses thereby incurred (including printing expenses) will be paid for by the City.

Amendments to Final Official Statement Correct and Complete. If the information relating to the District, its function, duties and responsibilities contained in the section captioned "THE DISTRICT" in the Final Official Statement is amended or supplemented pursuant to the immediately preceding subparagraph, at the time of each supplement or amendment thereto and (unless subsequently again supplemented or amended pursuant to such subparagraph) at all times subsequent thereto up to and including the date 10 days after the date of the Closing, the portions of the Final Official Statement so supplemented or amended will be true and correct in all material respects and such information will not contain any untrue or misleading statement of a material fact or omit to state any material fact necessary to make the information therein, in the light of the circumstances under which it was made, not misleading.

Agreement to Preserve Tax Exemption. The District covenants that it will not take any action which would cause interest with respect to the Certificates to be subject to federal income taxation or California personal income taxes (other than to the extent the Certificates will be subject to federal income taxation as described under the caption "Tax Matters" in the Preliminary Official Statement and the Final Official Statement).

Very truly yours,

SAN DIEGO UNIFIED PORT DISTRICT

By: _____

Accepted and confirmed as of the date
above written _____
on behalf of itself and the other
Underwriters

By:

Authorized Officer

EXHIBIT C

FORM OF OPINION OF DISCLOSURE COUNSEL ADDRESSED TO THE UNDERWRITERS

Ladies and Gentlemen:

We have acted as disclosure counsel in connection with your purchase from the City of San Diego (the "Issuer") of its Certificates Of Participation (San Diego Convention Center Expansion) Series 1998A, evidencing proportionate undivided interests of the Owners thereof in Base Rental Payments to be made by the City to the San Diego Unified Port District (the "District"), in the aggregate principal amount of \$ _____ (the "Certificates"), pursuant to the Purchase Contract, dated _____, 1998 (the "Purchase Contract"), by and amongst you and the Issuer. The Certificates are to be executed and delivered pursuant to the provisions of Article 4 (commencing with Section 6584) of Chapter 5 of Division 7 of Title 1 of the California Government Code, and a Trust Agreement, dated as of January 1, 1998 (the "Trust Agreement"), by and among the City, the District and BNY Western Trust Company, as trustee (the "Trustee"). Capitalized terms not otherwise defined herein shall have the meanings ascribed thereto in the Purchase Contract.

In that connection, we have reviewed certain portions of the Trust Agreement, the official statement of the Issuer, dated _____, 1998, with respect to the Certificates (the "Official Statement"), the Purchase Contract, the opinions referred to in paragraph 4(e) of the Purchase Contract, certificates of the Issuer, the Trustee, the District and others, and such other records, opinions and documents, and we have made such investigations of law, as we have deemed appropriate, as a basis for the conclusions hereinafter expressed.

In arriving at the conclusions hereinafter expressed, we are not expressing any opinion or view on, and with your permission are assuming and relying on the validity, accuracy and sufficiency of, the records, documents, certificates and opinions referred to above, including the accuracy of all factual matters represented and legal conclusions contained therein, including, without limitation, representations and legal conclusions regarding the due authorization, issuance, delivery, validity and enforceability of the Certificates and the exclusion of interest thereon from gross income for federal income tax purposes and the payments with respect to which are pledged to the Certificates. We have assumed that all records, documents, certificates and opinions that we have reviewed and the signatures thereto, are genuine.

We are not passing upon and do not assume any responsibility for the accuracy, completeness or fairness of any of the statements contained in the Official Statement and make no representation that we have independently verified the accuracy, completeness or fairness of any such statements. However, in our capacity as disclosure counsel, we participated in conferences with your representatives and representatives of the Issuer, the District, their respective counsel and others, during which conferences the contents of the Official Statement and related matters were discussed.

C-1

Based on our participation in the above-mentioned conferences (which did not extend beyond the date of the Official Statement), and in reliance thereon and on the records, documents, certificates and opinions herein mentioned (as set forth above), we advise you that, during the course of our acting as disclosure counsel, no information came to the attention of the attorneys in our firm rendering legal services in connection with such representation which caused us to believe that the Official Statement as of its date (except for any financial, statistical or economic, or engineering data or forecasts, numbers, charts, estimates, projections, assumptions or expressions of opinion, Appendices, or any information about book-entry, DTC or the Bond Insurer included therein, as to which we express no opinion or view) contained any untrue statement of a material fact or omitted to state any material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

We are furnishing this letter to you pursuant to paragraph 4(e)(vii) of the Purchase Contract solely for your benefit as Underwriters. Our engagement with respect to this matter has terminated as of the date hereof, and we disclaim any obligation to update this letter. This letter is not be used, circulated, quoted or otherwise referred to or relied upon for any other purpose or by any other person. This letter is not intended to, and may not, be relied upon by owners of the Certificates or by any other party to whom it is not specifically addressed.

Very truly yours,